



Association of Fundraising Professionals (AFP)

Pre-Budget Consultation Submission

**To the House of Commons
Standing Committee on Finance
In Advance of the 2020 Budget**

August 2, 2019

**Association of Fundraising Professionals
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Recommendations of the Association of Fundraising Professionals

(from the Canada Senate Special Committee on the Charitable Sector)

- Recommendation 1: That the Government of Canada, through the Treasury Board of Canada Secretariat, develop policies that require departments and agencies to compensate full administrative costs associated with delivering the services being funded in transfers to charitable and non-profit organizations.
- Recommendation 2: That Government of Canada initiatives that support the sustainability of for-profit sectors, particularly with respect to overhead and infrastructure costs, be extended to the charitable and non-profit sector.
- Recommendation 3: That the Government of Canada, through Treasury Board of Canada, ensure that grants and contribution agreements cover a minimum of two years, renewable as appropriate; and that the level of information required for both application and reporting on these agreements be commensurate with the level of funding, minimizing complexity for smaller amounts.
- Recommendation 4: That the Government of Canada, through Employment and Social Development Canada, support innovation across charitable and non-profit organizations, including through the advisory group managing the Social Finance Fund.
- Recommendation 5: That the Government of Canada establish a funding stream for projects to incent organizations to develop shared technologies to manage their administrative requirements.

Comments of the Association of Fundraising Professionals

The Association of Fundraising Professionals (AFP) appreciates the opportunity to provide our recommendations to the Standing Committee on Finance.

AFP works to advance ethical and effective fundraising and philanthropy across the country. Given that some of our 3,700 members in Canada raise millions of dollars every year for environmental charities and nonprofits across the country, we are compelled to respond to the 2020 Pre-Budget Consultations on the theme of Climate Emergency: The Required Transition to a Low Carbon Economy.

Alongside the public and private sectors, charities and nonprofits across Canada need to play a critical role in responding to the climate crisis and transitioning to a low carbon economy. After all, the nonprofit sector plays a key role in Canada's economy, responsible for generating 8.5% of the country's Gross Domestic Product and employing more than 2.4 million Canadians – about 10% of the workforce. This is more than the real estate, manufacturing, mining and oil/gas extraction and finance sectors. Yet the nonprofit sector's economic contribution is often overlooked, and charities and nonprofits are often excluded from policy measures that would enable them to contribute more fully to the country's economic health.

As you may be aware, the Special Senate Committee on the Charitable Sector recently released its report, *Catalyst for Change: A Roadmap to a Stronger Charitable Sector*, with 42 wide-ranging recommendations. AFP strongly supports many of the recommendations in that report and has identified five specific recommendations that will strengthen the ability of charities and nonprofits to work with the government to address important environmental issues that affect all Canadians.

These five recommendations include:

- Recommendation 10 (p. 45 of the Report) That the Government of Canada, through the Treasury Board of Canada Secretariat, develop policies that require departments and agencies to compensate full administrative costs associated with delivering the services being funded in transfers to charitable and non-profit organizations.
- Recommendation 11 (p. 46 of the Report) That Government of Canada initiatives that support the sustainability of for-profit sectors, particularly with respect to overhead and infrastructure costs, be extended to the charitable and non-profit sector.
- Recommendation 12 (p. 47 of the Report) That the Government of Canada, through Treasury Board of Canada, ensure that grants and contribution agreements cover a minimum of two years, renewable as appropriate; and that the level of information required for both application and reporting on these agreements be commensurate with the level of funding, minimizing complexity for smaller amounts.
- Recommendation 14 (p. 51 of the Report) That the Government of Canada, through Employment and Social Development Canada, support innovation across charitable and non-profit organizations, including through the advisory group managing the Social Finance Fund.

- Recommendation 18 (p. 57 of the Report) That the Government of Canada establish a funding stream for projects to incent organizations to develop shared technologies to manage their administrative requirements.

AFP urges the government to embrace these five recommendations and ensure they are integrated into future government policies and processes starting with Budget 2020. Overhead, infrastructure, innovation and technology will be critical in enabling charities and nonprofits to address environmental issues such as climate change—just as they are for private sector organizations.

Conclusion

These five recommendations will create the foundation for an even stronger nonprofit sector that is better positioned to work with the public and private sectors on environmental issues such as climate change. By including funding for the nonprofit sector in Budget 2020, the Standing Committee on Finance will ensure that the nonprofit sector's 2.4 million workers are effectively leveraged to address climate change and assist with the transition to a low carbon economy.

AFP appreciates this opportunity to submit recommendations for consideration by the Standing Committee on Finance. Should members of the committee have questions about this brief, please contact Lisa Davey, Vice President, AFP Canada, at (613) 407-7169 or lisa.davey@afpglobal.org.

Background

The Association of Fundraising Professionals (AFP) represents almost 32,000 individual fundraisers and charities that raise more than \$115 billion annually for charities around the world. In Canada, AFP's 3,700 members in 20 chapters work for more than 1,800 charities across the country and raise billions of dollars every year.

These dollars are not raised in a vacuum but in accordance with AFP's *Code of Ethical Standards*—first developed in 1964 and one of the few ethical codes that is enforced. Our code, which sets the highest standards for ethics in fundraising, has been used as the foundation for subsequent codes of conduct in many different countries around the world. AFP also has convened more than 30 national fundraising associations from across the globe to draft the International Statement of Ethical Principles, an additional series of values and standards for the international fundraising community.

AFP helped institute a credentialing process in 1981, which was designed to identify fundraisers who possess the demonstrated knowledge and skills necessary to perform their duties in an effective, conscientious, ethical and professional manner. More than 6,000 fundraisers around the world have earned the CFRE (Certified Fundraising Executive) and ACFRE (Advanced Certified Fundraising Executive) credentials.